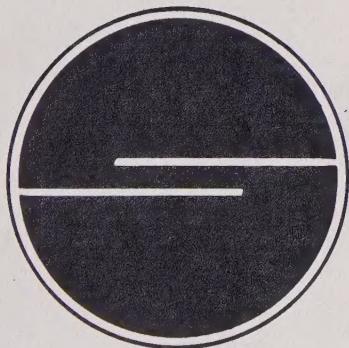


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ALVISO Background & Recommendations

City of San Jose, August 1973



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ALVISO

BACKGROUND AND RECOMMENDATIONS

*

A Report Presented

to

SAN JOSE CITY COUNCIL

by

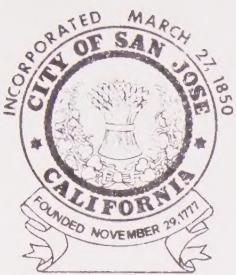
TED TEDESCO
City Manager

August 1973



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CITY OF SAN JOSE
CALIFORNIA

801 N. FIRST ST.
SAN JOSE, CA 95110
TELEPHONE (408) 277-4000

CITY MANAGER

August 6, 1973

HONORABLE MAYOR AND CITY COUNCIL
CITY HALL
SAN JOSE, CALIFORNIA

Members of the City Council:

The report you requested on the financial impact of serving the Alviso area is attached.

The report concludes that San Jose has fulfilled its contractual commitments as far as is legally possible and has gone beyond those commitments in several areas. The City has expended approximately \$2.9 million and has received revenues of approximately \$963,000. Current operating costs exceed \$450,000 per year. Current revenues are approximately \$180,000 per year leaving a current deficit of approximately \$270,000 per year.

The major physical problem inhibiting the development of Alviso is flooding. The presence of this problem for the foreseeable future makes the area unsuited for residential development. Also, the small scale of the existing residential area makes the provision of services expensive. For these reasons, my recommendation for the long term is to phase out residential development, thereby eliminating a hazardous condition and reducing the service cost deficit. Converting the area to open space and other public uses and to flood-safe industrial uses will provide long-term benefits.

Caring for the needs of Alvisans caught in undesirable living conditions through no fault of their own is a major concern in the short term. During this time, services should continue to be provided to current residents and the City should seek to provide safe living conditions through a program of voluntary relocation services.

Additional options considered by the Administration are outlined in the report along with a detailed presentation of past and potential future expenditures in Alviso.

Respectfully submitted,

TED TEDESCO
City Manager

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I. OVERVIEW & CONCLUSIONS

The study of actions in Alviso demonstrates that San Jose has fulfilled its contractual commitments as far as is legally possible and has exceeded those commitments in several areas. That provision of facilities and services has occurred at a high cost to San Jose. Future costs to maintain the existing residential development in Alviso and to provide for the safety of the existing development and of new development will also be high. Recent information on the high cost required to overcome the single most important physical problem in the area -- flooding -- dictates that a review be made of San Jose's present course of action which has been directed toward maintaining existing residential development and fostering new development.

The conclusions and recommendations of this study appear below with a summary of the main report. The main report details actions, expenditures, and revenues in Alviso to date and those anticipated in the future if San Jose pursues its present policy of encouraging new growth in the area.

CONCLUSIONS

1. Both the present size of the residential community of Alviso and its location make the provision of public services uneconomical. Therefore, the costs of providing the current level of services to Alviso have exceeded and will continue to exceed the revenue from the area unless a greater tax base is established.
2. Alviso has benefited significantly from consolidation with the City of San Jose in provision of public services. San Jose has provided

a much greater range and higher level of services and other benefits than would have been possible had Alviso remained a separate city. The service and other benefits provided by San Jose are outlined below.

- a. Full-time police service within the area has been provided with the back-up resources of a metropolitan police department.
 - b. A regular fire station has been established within the inhabited area of Alviso.
 - c. Library services are available on a regular basis.
 - d. A park has been purchased and developed.
 - e. An extensive recreation program has been established.
 - f. Public works services including additional street lighting have been provided.
 - g. An improved water system with a connection to the Hetch Hetchy system, replacing a failing well supply, was installed.
 - h. Water rates were reduced.
 - i. Upon consolidation, the property owners in Alviso generally benefited by a tax rate reduction.
 - j. Planning studies were initiated with representatives of the community to develop a long-range plan for Alviso.
 - k. Legislation was obtained from the State Legislature to attempt to use "New Town" legislative benefits in the event it would assist in solving Alviso's problems.
3. San Jose has met or exceeded its contractual commitments to the Alviso Improvement Corporation with the exception of the provision of a community center, a swimming pool, and certain storm drain and street

improvements. These facilities have not been installed because of the City Attorney's recommendation to the City Council regarding possible personal liability until pending litigation regarding the consolidation election is resolved.

4. To date, expenditures in Alviso have been approximately \$2.9 million and total revenues are estimated at approximately \$963,000 including \$123,460 cash balance in the Alviso treasury at time of consolidation. Thus, expenditures in Alviso since consolidation, including operating & capital costs, have exceeded estimated revenues by almost \$2 million. Further projections, assuming the current state of development and present service levels, indicate a continuing operational subsidy of approximately \$270,000 per year.
5. As a separate community, Alviso could not provide the same level of services or solve the physical problems of the area because of the limited tax base and financial resources within the area.
6. Alviso's economic situation seems to be substantially the same as it was prior to consolidation, and the efforts of San Jose seem not to have had major impact on the areas of unemployment, substandard housing, or poverty level incomes. Even if the City were to directly address these problems, moreover, the resources to do so would be extremely limited at present, since categorical programs at the national level are in question as indicated by the present moratorium on housing programs.
7. The most serious physical problem in the Alviso area, and the one most difficult and costly to solve, is a serious flooding problem. The

latest engineering studies, which have become available since the election consolidating Alviso with San Jose, detail the extent of the problem and provide estimates of the high cost to overcome the flood problem and make the area safe and desirable for a residential community. At the present time, no financing or time schedule for construction of the necessary levee system exists.

8. Until the flood problem is solved, further residential development should be discouraged in the Alviso area. Pending a successful resolution of the flood problem, it does not appear to be in the public interest to develop additional residences in an area susceptible to the risk outlined in the engineering reports.
9. On the basis of the physical problems inherent in the Alviso area, long-range planning indicates that a combination of non-residential development, public use, and open space should be considered.
10. The City's original objective in consolidating with Alviso (to maintain control of development with San Jose's sphere of influence, to assure the efficient development and expension of the Sewage Treatment Plant, and to protect the industrial reserves to the South) continue to provide justification for retaining Alviso. In addition, if the flood problem is permanently solved through implementation of the levee proposal, Alviso could eventually become safe for development and be an economically productive and valuable resource for San Jose. However, the timing and financing of the needed flood control improvements cannot be determined at this time.

II. RECOMMENDATION

The City Administration has considered three basic policy directions in its study of Alviso. The recommended option is discussed below and the two additional options are outlined in the following section of this report.

The basic ideas of the recommended option are the following. Maintain essential services to the existing developed area and prohibit further residential development. Industrial developments protected from flooding would be allowed. Implement a relocation service in an attempt to convert present residential areas to other uses, such as agriculture, industrial, and public uses, and selectively enforce applicable codes to supplement this activity. Rezone the area to appropriate zoning designations to allow the long-term conversion to other than residential uses.

The key elements of the recommended option are listed below:

1. Continue to provide essential services to the existing residential community and work to minimize the economic loss associated with these services. A successful renegotiation of the contract between the City and the Alviso Improvement Corporation would relieve the City of its commitments to provide for some capital improvements and additions (e.g. neighborhood center) and would allow the City flexibility in consolidating service centers, such as the fire station, with neighboring areas in order to reduce costs.
2. In the long term, the area should be converted to non-residential uses because of the severity of the flooding problem and because of the high cost of maintaining services for a growing residential area in Alviso. Specifically, no new residential development should be allowed, and land

should be converted over a period of time to industrial, agricultural and public uses. Public uses could include open space, land fill and expansion of the sewage treatment facilities.

3. In the short run, there is a need to care for the needs of the several hundred families caught in a situation not of their own making where living conditions and amenities are poor, where unemployment is high and where safety from flooding is not assured. Maintaining a residential area in this kind of unhealthy condition is not desirable. Solving these problems in the present location is not feasible in the foreseeable future. Therefore, the city should seek to provide safe living conditions through a program of relocation services. By providing such services on a voluntary basis, residents can be made aware of opportunities for safe, standard housing elsewhere in the City, and through a process of attrition, the City can reduce the risk of flood disaster.
4. The area should be rezoned to discourage future residential development and to foster the long-term conversion to non-residential uses.
5. The City should continue to work closely with the Santa Clara County Flood Control District in order to press for permanent solutions to both the Bay and fresh water flood problems. Flood insurance should be explored to help protect existing development.

Advantages

1. Protection of Alviso residents from major flood disaster would be accomplished through relocations over a period of time. This relocation would also improve other environmental factors for the residents.
2. Safe industrial development would increase the City's revenues from the

area. Large site industrial users would have sites available to them which would be available in few other portions of Santa Clara County.

3. Control over development would be retained, as well as protection of the investment in the Water Pollution Control Plant.
4. The annual subsidy of municipal service expenditures in Alviso would be reduced over time.

Disadvantages

1. The existing development will continue to remain unsafe from flooding until it is phased out, or otherwise protected.
2. The phasing out of the existing residential development will take a long time and will continue to incur public facility and service costs during that time.
3. The location of new industrial users is likely to take many years to materialize.
4. The reaction of Alviso residents will be extremely negative.

III. ALTERNATIVES CONSIDERED

Two options in addition to the recommended one were considered by the City Administration. These two additional options are outlined below.

Alternative 1

Maintain the present policy of allowing residential and industrial development within Alviso and continue to provide the present level of services (or improved services) to existing and new residential areas. Implement the capital improvements and additions required by the contract with the Alviso Improvement Corporation and those required to serve new development.

Advantages

1. San Jose can continue to fulfill its legal requirements to the Alviso Improvement Corporation.
2. The City can maintain control of development within its sphere of influence.

Disadvantages

1. The expense of maintaining services to the small residential community is likely to result in a greater annual operating deficit than the present \$270,000.
2. The existing community will continue to remain unsafe and a major flood could result in large loss of life and property.
3. Expenses for new commitments to support additional residential and industrial development would be substantial.
4. Capital expenditures of at least \$1-2 million would be required, even without new development.
5. The eventual solution to the flood problem could cost as much as \$33 million according to present estimates.

Alternative 2

Disannex that portion of Alviso not needed for the Water Pollution Control Plant and develop plans for returning Alviso to independent status.

Advantages

1. The desires of those Alvisans wishing to be disannexed from San Jose would be satisfied.
2. All of the problems associated with Alviso would be transferred to the County (or eventually to a new incorporated Alviso).
3. Economic savings of at least \$270,000/year to San Jose would result from not supplying municipal services. Also the costs associated with future capital improvements (\$1-2 million) would be saved by San Jose.

Disadvantages

1. The City would relinquish control over development in Alviso.
2. In the event that the flood problem is solved through outside resources, San Jose would lose the potential economic benefits associated with development of Alviso.
3. The Alviso area would find great difficulty in supporting the existing levels of services and solving the flood problem.

IV. SUMMARY OF MAIN REPORT

1. Contractual Obligations of San Jose

At the time that Alviso was annexed, San Jose entered into an agreement with the Alviso Improvement Corporation (AIC) to provide municipal services and capital facility improvements.

To date, the City has spent over \$2.6 million in operating and capital expenditures to meet these obligations (See Table 2 for summary of expenses related to contract). As a result, the level of municipal services to Alviso has increased considerably, including, as examples:

- a. Conversion of Alviso water supply from a failing well system to the Hetch Hetchy water system, and a corresponding reduction in water use rates;
- b. Provision for full-time fire and police services;
- c. Installation of permanent library facilities;
- d. Implementation of numerous recreation programs;
- e. Provision of a park;
- f. An overall reduction in the property tax rate for Alvisans.

(Table 1 summarizes the tax rates and water use charges as well as economic and physical characteristics of Alviso. Table 4 provides a comparison of the level of municipal services prior to and subsequent to consolidation).

1. All contractual obligations have been fulfilled with the exception of the following: provision of a community center; construction of a swimming pool; improvement of certain streets and storm drainage facilities. Uncertainty regarding the outcome of litigation involving the consolidation election led the City Attorney

in April of 1971 to issue an opinion advising, (1) a temporary halt in capital expenditures for the community center and swimming pool; and (2) a moratorium on the use of revenue bonds to finance capital improvements for the Alviso area. The basis for this opinion was the risk of personal liability by City Council members for funds committed to Alviso. This opinion has led the City Administration to cut back on capital expenditures in other non-essential areas as well until the litigation is resolved.

2. Non-contractual expenditures

In addition to contractual obligations, the City has spent over \$275,000 on items which were not specified by the contract, including a planning study with Citizen input through a planning committee, a geo-technical study to determine safety and stability for any new development, and achieving the passage of State New Town legislation (see Table 2 for a summary of these expenditures).

3. Revenue

San Jose has, to date, received an estimated \$839,640 in tax and other revenues from Alviso, including projected revenues for 1972-73. In addition, the City assumed the \$123,460 cash balance in the Alviso treasury as of March 11, 1968. Thus, total revenues are approximately \$963,370, for the period 11 March 68 to 30 June 73. Additional income in the form of water and sewer user fees are accounted for in the body of the report and deducted from operating expenditures to obtain net expenses to the City.

4. Future Expenditures

Operating expenditures are projected to be approximately \$537,000 annually in the near future (Table 3). This estimate is based on the

present level of services for the Alviso area and includes maintenance and operating costs for anticipated further capital improvements and additions.

Future capital expenditures are estimated to range from \$1.1 million to \$2.6 million, depending upon the extent of improvements in the storm drainage system. In addition, flood control costs to protect against Bay flooding would be either \$7.2 million or \$15.3 million, depending upon the selection of inboard levees or outboard levees as the viable alternative. Fresh water flood protection could cost as much as \$26 million more.

5. Future revenues

Although no specific revenue projections have been included in the report, it is estimated that tax and other revenues from the Alviso area will increase at an annual rate of 2-3% in the near future based on recent trends in the area. Total revenues in the next few years will probably not exceed \$185,000 annually.

Financing alternatives for capital improvements are extremely limited. The use of revenue bonds has been advised against by the City Attorney until litigation is complete. Federal programs which have existed in the past to help areas like Alviso such as OEO and HUD's housing programs are in question or being phased out. It may be that until litigation is complete the only source of funding for capital improvements in Alviso will be general Revenue Sharing Funds, special tax assessment districts, or San Jose's General Fund.

6. Legal Status

Pending litigation: At this point, litigation involving the consolidation

election is pending at the State Appeals Court with oral arguments scheduled for August 15, 1973. It is unlikely that a decision will be handed down before October, 1973, and a further appeal to the State Supreme Court is possible. This process could take an additional two years. Also, a suit for \$3.5 million has been filed against San Jose charging the City with failure to adequately repair and maintain the streets, storm sewers and drains in Alviso. The plaintiffs have been granted an extension on the suit.

Disannexation Proceedings: A group of Alviso residents has initiated a disannexation petition and has submitted its request to the Local Agency Formation Commission.

7. Present Policy Directions

Interim Policy Guide

The Council has established emergency zoning for the Alviso community and has accepted the Interim Policy Guide as a temporary "policy" plan for the area. The Policy Guide, resulting from the uncompleted work of the Alviso Planning Committee, incorporates priorities and policies regarding present urban areas and future development areas and allows residential, commercial, and industrial development.

Other Policy Studies

A number of special studies on Alviso have been completed within the past five years, and have resulted in a new understanding of the physical and environmental constraints which will affect future policy directions. The most significant of these studies is the Tudor Engineering Report, commissioned by the Santa Clara County Flood Control District, which provides an analysis of the severe flooding problems in the Alviso Area. These reports are summarized in Section XII.

V. HISTORY AND GENERAL CHARACTERISTICS OF ALVISO

In the early 1800's, Alviso served as a port for the export and import of goods to and from the Santa Clara Valley. As a result of the 1849 Gold Rush, Alviso became a major trading port on San Francisco Bay. However, by 1865, Alviso's economic prominence as a port had declined due to the advent of the railroad.

The former City of Alviso contained 8,693 acres and was surrounded by incorporated areas of San Jose. Of Alviso's original acreage, over 6400 acres are in the wetlands area and are primarily used as salt evaporation ponds. The remaining 2250 acres are in the dry-lands area, temporarily protected from Bay flooding by an antiquated and potentially dangerous dike system.

The drylands area of Alviso lies south of State, Spreckles, and Los Esteros Streets and extends to Alviso-Milpitas Road (Highway 237). Approximately 500 acres are currently developed for urban uses. Of the 1750 acres remaining, about 855 acres are publicly-owned and 895 acres are privately owned. Map 1 shows the original boundaries of Alviso and Map 2 delineates its wet and dryland areas. Map 3 indicates publicly-owned lands.

In 1970, Alviso had a population of 1,853. The community is predominately (63%) Mexican-American and 57% of the population is 19 years old or less. Slightly more than one third of the households in Alviso earn less than \$4,000/year, compared to 8.5% of all households in San Jose. Alviso's unemployment rate of 13% is more than twice that of San Jose.

A substantial portion (48%) of Alviso's housing stock is substandard compared to less than 10% of all housing in San Jose. Only 32% of the single-family housing units in Alviso are owner-occupied, where 62% of San Jose's single family homes are owner-occupied. The average assessment per single family dwelling unit in Alviso is about \$1,688 with a market value of approximately \$6,752 per unit. Typical assessment and market value figures for single family units in all of San Jose are \$6,350 and \$25,450, respectively. The property tax paid to San Jose per single family unit averages about \$25 in Alviso and about \$120 for San Jose as a whole.

A more detailed statistical comparison between the Alviso area and the City of San Jose may be found in Table 1.

VI. CONSOLIDATION ELECTION

On March 29, 1967, the City Council of San Jose was presented with a Notice of Intention to Circulate and File a Petition for the Consolidation of the City of Alviso with the City of San Jose. This Notice of Intention was acknowledged and approved by the San Jose City Council on June 5, 1967, by a vote of 6 to 1. On July 17, 1967, the San Jose City Council adopted a resolution expressing its aims and intentions with respect to the Community of Alviso by a vote of 5 to 1, with one Council member absent. This resolution outlined San Jose's commitments to Alviso with respect to the delivery of municipal services and capital improvements in the Alviso community upon consolidation with the City of San Jose. City activities to date, vis a vis these commitments are covered in Section IX of this report.

During the Fall of 1967, the Alviso Improvement Corporation (AIC) was formed as a non-profit corporation to carry forth the consensus of the Alviso community after consolidation. On November 1, 1967, the AIC signed a contract with the City of San Jose specifying the services and improvements that San Jose would provide pursuant to the San Jose Council resolution of July 17, if the City of Alviso was consolidated with the City of San Jose prior to June 13, 1968. In addition, provisions were included to

- absolve the City of Alviso property owners from responsible for any prior indebtedness of the City of San Jose; and
- clarify a policy of enforcement of San Jose's Building and Housing Codes in Alviso following consolidation, urging caution and the avoidance of actions which would cause "unreasonable financial hardship" on property owners.

On December 4, 1967, the Alviso City Council accepted and certified the Petition of Consolidation circulated in the Alviso Community, and set January 9, 1968, as the date of the Consolidation Election.

On January 9, 1968, the citizens of Alviso voted 189 to 180 to consolidate with the City of San Jose. On January 15, 1968, the Alviso Council canvassed the election returns and declared that a majority of votes cast were in favor of consolidation with the City of San Jose. The San Jose City Council, by a unanimous vote, confirmed the consolidation on January 29, 1968. This confirmation was certified by the State of California, and on March 12, 1968, the City of Alviso became part of the City of San Jose.

VII. CONSOLIDATION OBJECTIVES

A. SAN JOSE'S CONSOLIDATION OBJECTIVES

San Jose's general objective in seeking to consolidate with the City of Alviso was to establish more effective planning and control of development within the City's sphere of influence. Specifically, the four following concerns formed the basis of San Jose's decision to accept the consolidation with Alviso.

1. The control and improvement of a blighted and declining area which did not have the fiscal resources to remedy these conditions;
2. The efficient development and utilization of existing San Jose-Santa Clara Water Pollution Control Plant located to the east of Alviso, which services more than half of Santa Clara County's population (See Map 3);
3. The protection of the major industrial reserve areas located south of Highway 237;
4. The protection of the proposed development of a deep water port facility northwest of Alviso's City boundaries.

B. ALVISO'S CONSOLIDATION OBJECTIVES

Alviso's primary objective in seeking consolidation was to improve the physical environment of the community through the provision of better public services and the improvement of capital facilities, both of which Alviso was fiscally unable to effect on its own.

The particular services and facilities of concern to the Alvisans, as outlined in the November 1, 1967 contract between San Jose and the AIC were as follows:

1. Full-time fire and police service
2. Improved water service
3. A branch library
4. A community recreation facility
5. Improved streets
6. Improved street lighting
7. Improved storm and sanitary sewer systems

In addition, by joining with the City of San Jose, these services and improvements could be provided to the Alviso community with a reduction in water use charges and a slight reduction in aggregate property tax rate (See Table 1). Furthermore, the former City of Alviso debt limit of \$100,000 was removed. In sum, through consolidation with San Jose, the capital improvements and public services desired by Alviso could be financed and implemented, thereby expanding the quality and level of municipal services to area residents.

It should be noted, however, that not all of the Alviso community shared the desire to consolidate with San Jose and a substantial minority of the residents actively opposed consolidation. Issues of community control were central to this opposition.

A comparison of the level of municipal services in Alviso prior to and subsequent to consolidation with the City of San Jose may be found in Table 4. These services are described in greater detail in Section IX of this report.

VIII. LITIGATION

A. ELECTION CONTEST

Following the January 9, 1968, consolidation election, a suit was brought against the Cities of San Jose and Alviso by Jesus Canales, Eduardo C. Resendez, and Arthur M. Baros contesting the election on the following grounds, as summarized in City of San Jose's Reply Brief, Appeal from the Judgment of the Superior Court of the State of California, in and for the County of Santa Clara (1 Civil No. 31 783), pages 2-3,:

1. During the election, illegal votes were given in favor of consolidation, which if taken from the total number of legal votes cast in favor of consolidation, would reduce the number of legal votes in favor of consolidation below the number of legal votes given in opposition to consolidation.
2. That the defendants (the City of San Jose and the City of Alviso, both municipal corporations of the State of California) offered or gave to certain electors valuable consideration to induce them to come to the polls to vote in favor of consolidation, or indirectly through another person, made an offer to induce those persons to procure or endeavor to procure a favorable vote on consolidation.
3. That the Precinct Board of the City of Alviso and members thereof were guilty of misconduct in that they accepted certain illegal votes cast in favor of consolidation, knowing that the individuals casting these ballots were not legally entitled to vote, and that the Board and members thereof made errors sufficient to change the results of the election in that they:
 - a. interrupted the count on several occasions;
 - b. improperly rejected certain ballots;

The Court confirmed the election results, finding that (1) no evidence had been introduced regarding how the "illegal" voters had voted; (2) no offers of consideration were made by the Cities of San Jose and Alviso to procure votes; and (3) offers of consideration and misconduct of the Precinct Board of the City of Alviso, if any, did not determine the result of the January 9, 1968 consolidation election. Further, the Superior Court gave judgment confirming the election.

Following the Superior Court's judgment, Messrs. Canales, Resendez, and Baros appealed the decision to the California State Court of Appeals which unanimously upheld the Superior Court's opinion.

Subsequent to the Court of Appeal decision, the contestants appealed to the State Supreme Court, which, on September 17, 1970, reversed the original decision of the Santa Clara County Superior Court by a 4 - 3 vote. The Supreme Court's reversal was based on the finding that it was necessary for the defendants to respond to certain evidence presented during the trial concerning whether the illegal voters had voted for consolidation. The Supreme Court did concur, on the basis of evidence, with the Superior Court's decision with respect to (1) offers of consideration by the Cities of San Jose and Alviso; and (2) charges of misconduct against the City of Alviso Precinct Board.

On March 26, 1971, the three contestants filed a second action against the Cities of San Jose and Alviso to contest the consolidation election. The grounds of contest were, in substance, as stated in the City of San Jose's Reply Brief (1 Civil No. 31783), page 6:

1. That the precinct board or members thereof, were guilty of misconduct and such misconduct procured a winning vote in favor of consolidation.
2. That the defendants engaged in certain conduct and the outcome of the election was determined by such conduct, to wit:
 - a. offered rewards to certain electors for the purpose of procuring a favorable vote for consolidation.
 - b. offered or promised an office, place or employment to or for any voter or to or for any other person in order to induce that voter to vote for consolidation.
3. That illegal votes were cast in favor of consolidation and if such illegal votes for consolidation were deducted from the total votes for consolidation, and if any illegal votes against consolidation were deducted from the total votes against consolidation, the totals would change the result of the election.

The second trial concerning the election contest was heard by Judge Marshall S. Hall of the Santa Clara County Superior Court. The Superior Court again confirmed the original election results, finding that:

1. At the election, 376 ballots were cast of which 7 were properly rejected leaving 189 ballots cast in favor of consolidation and 180 cast against consolidation.

2. Of the 21 voters challenged by the contestants as illegal voters, 13 were qualified to vote at the election and cast legal votes; 7 voters were not legal residents of Alviso at the time of the election, and thus cast illegal votes and 1 voter had been convicted of a felony and cast an illegal vote.
3. The 8 illegal votes were illegal because of misunderstanding and ignorance and were not cast with fraudulent intent on the part of the voters.
4. One additional illegal vote was cast by a person who was not a legal resident of Alviso at the time of the election and this vote was illegal because of misunderstanding and ignorance, rather than fraudulent intent on the part of the voter.
5. Of the total 9 illegal votes cast, 4 were cast in opposition to consolidation, 2 were cast in favor of consolidation, and it could not be ascertained from the evidence how the remaining 3 illegal votes were cast.
6. The majority of all legal votes cast at the election were cast in favor of consolidation.
7. Neither the City of Alviso nor the City of San Jose, nor any officers, employees or agents, thereof, offered rewards to certain electors to induce them to vote for consolidation or promised an office, place or employment to or for any voter or other person for the purpose of procuring a favorable vote for consolidation.
8. The Precinct Board of Alviso and any member or members thereof, were not guilty of any misconduct.
9. The election was not fraudulent or conducted in such a manner as to throw doubt on its results; and there was no fraudulent intent on the part of any voter to improperly register or vote in the election.

On January 1, 1972, the contestants appealed the second Superior Court judgment to the California State Court of Appeal. The case is scheduled for oral argument on Wednesday, August 15, 1973. Following the oral argument, the Court could render its decision, within a 60 - 90 day period.

If the future decision of the Court of Appeal is brought before the California Supreme Court by either the contestants or the City, at least two additional years would be added to the court process. In this event, it could be the end of 1975 before a final resolution of the case would be made.

B. SUIT FOR DAMAGES

On March 30, 1973, a suit was filed against San Jose by two Alviso residents for damages allegedly caused by San Jose. The suit charged that San Jose did not adequately repair or maintain City streets, storm sewers, or drainage systems, and thus the plaintiffs incurred damages during the heavy rains last winter. The plaintiffs are claiming \$1 million for property damages, \$1 million for emotional distress, and \$1.5 million for punitive damages.

San Jose responded to this suit by claiming that the plaintiffs did not state a cause of action. The judge hearing the case agreed with San Jose and has given the plaintiffs an extension in order that they can file an amended complaint.

IX. CURRENT STATUS OF CONTRACTUAL COMMITMENTS

The current status of commitments under the November 1, 1967, contract between the City of San Jose and the Alviso Improvement Corporation is outlined below. Individual contract items appear in the same sequence as in the current contract and include: a) a summary of the contract commitment; b) the current status of the items; c) estimated operating and capital costs to the City of San Jose to date;* and d) in some cases a detailed description of the services which have been provided. The time limits for providing services and capital improvements are the times specified in the contract from the "effective date of consolidation." Consolidation is effective when all legal disputes relating to the original election are resolved.

Operating and capital expenditures associated with contract items are summarized by fiscal year in Table 2. Total expenditures to date for contractual commitments are \$2,636,290 including \$549,780 for capital items and \$2,086,510 for operations.

A. CITY OF SAN JOSE COMMITMENTS

1. Fire Protection

- a. Contract Commitment. Provide at least one, 1,000-gallon pump-type fire engine and a complement of firefighters immediately; provide for stationing in Alviso within 30 days.
- b. Status. Accomplished.
- c. City Expenditures.

Capital	\$ 50,375
Operating	<u>1,111,650</u>
Total	\$1,162,025

- d. Description. A full complement of firefighters (24-hour shifts of 3 firefighters) was permanently assigned to Alviso and in 1968-69 a house was bought and moved to Alviso to serve as Fire Station #25. In addition, a new fire engine was originally purchased for and located in Alviso. In January of 1972, it was relocated to a different location because silt and mud in the water system threatened to damage its pumps. Normally, fire engines are rotated about every five years in order to equalize mileage on the vehicles. At the present time, a 1954 pumper is stationed in Alviso. It is in excellent condition, and meets all required performance and safety standards.

*Expenditures by San Jose in Alviso between March 12 and June 30, 1968, are not included in the cost estimates. During this time, San Jose provided only essential services to Alviso, and major expenditures did not begin until fiscal year 1969-70.

2. Police Protection

- a. Contract Commitment. Provide police service immediately.
- b. Status. Accomplished.
- c. City Expenditures.

Capital	\$ 25,700
Operating	<u>600,995</u>
Total	\$626,695

3. and 4. Water Service

- a. Contract Commitment. Construct and establish standby water connection from a well at the San Jose-Santa Clara Sewage Treatment Plant site or from another source within one year; take over operation of the existing Alviso Municipal Water System and lower existing water service rates to be no more than those charged to users of San Jose's Municipal Evergreen Water System, immediately.
- b. Status. Accomplished.
- c. City Expenditures.

Capital	\$201,470
Operating	<u>124,025</u>
Total	\$325,495

- d. Description. The Alviso Municipal Water System was connected to the Hetch-Hetchy System in December of 1969 to increase the quality and dependability of the system. As a result of the reduction in water user rates, each of the 300 present customers in Alviso save on the average approximately \$33.00 annually, with an aggregate savings of over \$40,000 since consolidation. An increase in the number of customers to 800 will be required for the system to become a self-supporting operation.

5. Library Service.

- a. Contract Commitment. Provide interim bookmobile service immediately; provide permanent library facilities and service (no time limit specified).
- b. Status. Accomplished
- c. City Expenditures.

Capital	\$ 4,500
Operating	<u>23,740</u>
Total	\$28,240

- d. Description. The permanent library facility is open four days a week: Tuesday, 1-5 PM; Wednesday and Thursday, 4-8 PM; and Friday, 1-5 PM.

A children's story hour is held on Fridays at 3 PM, and movies for all ages are shown at 6 PM on Wednesdays. The book stock consists of approximately 4,000 titles with 1,100 children's books, 2200 adult hardcover and paperback books, and 700 Spanish language books. In addition to library services, the staff also handles water bill payments. The library facility also serves as a polling place.

6. Recreation.

- a. Contract Commitment. Negotiate with school district to provide recreational leadership at the school grounds in Alviso immediately; upon agreement with school district, provide recreational leadership; if a city-school district agreement is not negotiated within 180 days, provide recreational program similar to programs in other parts of San Jose until a city-school agreement is executed.
- b. Status. Accomplished.
- c. City Expenditures.

Capital	\$ -0-
Operating	<u>52,325</u>
Total	\$52,325

- d. Description. The San Jose Parks and Recreation Department and the Santa Clara and San Jose Unified School Districts jointly sponsor the following recreational programs in the Alviso area:

- 1) Community Recreation Programs (George Mayne Elementary School-Alviso Park). Major emphasis is directed toward elementary school age children; however, programs are also planned for junior and senior high school students. Activities include sports, games, movies, clubs, crafts, special events, parties, playdays and trips. Program hours are two hours after school, Monday through Friday, plus 5 - 7 hours on Saturdays. Summer hours are 7 hours each day, Monday through Saturday.
- 2) Junior High Teen Program. The program is currently conducted at the Teen Center of Star of the Sea Catholic Church. Activities include sports, games, tournaments, music, trips and study sessions. The program was initiated in December, 1971, and is directed towards the junior high school students attending Patrick Henry Junior High School.

- 3) **Swim Program.** For the past two summers, students attending the George Mayne Summer School session have been offered swimming lessons at San Jose High School. This has been a cooperative project of the City of San Jose, the Santa Clara Unified School District and the Neighborhood Youth Corps-MDTA-RSP Program. The School District has provided bus transportation services; the City has provided the pool and swim teaching staff; NYC has paid the fees for the lessons. At the end of the summer school session, free recreational swimming has been provided for the youngsters twice a week at the San Jose High School pool, with bus transportation costs shared by the Alviso Family Health Center and the NYC.

Other agencies conducting recreational programs in the Alviso area or assisting the San Jose Parks and Recreation Department are:

- 1) The Agnew Little League which conducts a baseball program for boys ages 8 to 15. A portion of the Little League games are played at Alviso Park from April to August.
- 2) The Alviso Family Health Center which has contributed \$180.00 during the past two summers for transportation to the San Jose High School pool and other recreational trips.
- 3) The Optimist Club of Alviso which co-sponsors many activities, including the Alviso Football Jamboree and cook-out, Pinewood Derby, an Easter program, and Little League baseball.
- 4) The Star of the Sea Catholic Church which provides facilities for the Junior High Teen Program described above.
- 5) The Neighborhood Youth Corps (MDTA-RSP Program) which provides high school age students with employment in the San Jose Parks & Recreation Department. NYC participants assist recreation leaders in the Community Recreation Program at George Mayne Elementary School, working 25 - 30 hours per week during the summer, and 10 - 12 hours per week during the school year. Students eligible for the NYC program sign up through the NYC counselor at their high school.

7 and 8. Community Center Building and Swimming Pool.

- a. **Contract Commitment.** Lease, construct, or otherwise acquire a building, or remodel a building, for use as a recreation-community center within one year. Construct and operate an adequate municipal swimming pool within 1 1/2 years.

- b. Status. Not accomplished.
- c. City Expenditures. \$ 0.
- d. Description. The City of San Jose worked with Alviso residents to design a community center facility which included a swimming pool. In 1971, San Jose applied for and received a Neighborhood Facilities Grant from the United States Department of Housing and Urban Development (HUD) for \$189,000 which was to be matched by a local share of \$189,000. In addition, San Jose obtained a commitment of \$100,000 for the project from the Santa Clara Unified School District to cover the costs of kitchen facilities and other items not eligible for HUD assistance, and a portion of the local share.

In January 1971, HUD offered to commit funds for the Alviso Community Center and swimming pool project through a contract. However, San Jose was unable to enter into a contract with HUD as a result of the City Attorney's ruling that, in the event the pending court case on the consolidation election was decided against San Jose, the City Council members could be held personally liable for future contractual commitments in Alviso. In repeated efforts to hold on to the HUD funds, San Jose sought and received several time extensions from HUD arguing that the court case would be soon settled, enabling the City Council to execute the contract. HUD finally cancelled the grant offer due to the constraints of its fiscal year funding cycle which prevent the carry-over of grant offers beyond a certain period of time.

In addition to the loss of HUD funds for the community center/swimming pool, the City lost \$32,000 from the Santa Clara Unified School District's original \$100,000 commitment--leaving \$68,000 for the Alviso Project. Due to its immediate need for kitchen facilities, the School District was unable to wait for construction of the Alviso Center and funded the construction of kitchen facilities in the George Mayne Elementary School.

The City of San Jose has included a total of \$450,000 in its 1973-78 Capital Improvement Program, including an anticipated \$190,000 HUD grant and the \$68,000 contribution from the School District, for construction of the Alviso Community Center and swimming pool in 1975-6. Santa Clara Unified School District still has a \$68,000 commitment for the center and pool. However, the anticipated HUD funds are no longer available leaving San Jose with a \$382,000 share. It is probable that the cost of a portion of this is eligible for funding under the proposed Federal Better Communities Act. However this project would have to compete with many other projects for the limited community development block grant funds that San Jose would receive.

9. Park Facilities.

- a. Contract Commitment. Install park facilities either on school district or City land and open for public park purposes within 2 1/2 years.
- b. Status. Accomplished.
- c. City Expenditures.

Capital	\$189,735
Operating	<u>29,480</u>
Total	\$219,215

- d. Description. Park facilities installed in Alviso include picnic areas, baseball/softball fields, apparatus areas and open lawn space. School facilities which also serve as park facilities include asphalt court areas and apparatus areas. The San Jose Public Works Department has worked with the principal of George Mayne School to improve conditions around the school for children through the construction of asphalt footpaths along Taylor Street and Wilson Way, the grading of school bus loading areas, and the construction of a fence between Taylor Street and Alviso Park to keep small children from falling into a drainage ditch.

10. Street Lights.

- a. Contract Commitment. Install a street light at each intersection and at mid-block for long blocks in accordance with San Jose's existing policy for newly annexed areas and with no charge to property owners for installation or electrical energy.
- b. Status. Accomplished.
- c. City Expenditures.

Capital	-0-
Operating	<u>\$14,595</u>
Total	\$14,595

- d. Description. Since consolidation, 9 street lights have been added to the original 58 lights that existed in Alviso making a total of 67 street lights. Pacific Gas & Electric owns, installs, and maintains the lights. San Jose pays a monthly energy fee of \$260 per month at present.

11. Storm Drain and Street Improvements

- a. Contract Commitment. Expend not less than \$300,000 within three years for the construction of storm drain improvements and street improvements in the residential and downtown areas of Alviso with no special assessments to Alviso property owners for these improvements.
- b. Status. Partially accomplished.
- c. City Expenditures.

Capital	\$ 78,000
Operating	120,000
Total	\$198,000

- d. Description. Street and storm drainage work undertaken by San Jose to date has included street resurfacing, reconstruction, maintenance, and cleaning, and dike and drainage ditch maintenance. Unimproved streets have been rocked and graded and pot holes have been patched on all streets as needed. All major streets have been striped and are checked annually for inclusion in San Jose's resurfacing program. Gold Street has been reconstructed from Moffat to Taylor. Paved streets are swept as needed; and weeds, litter and trash are picked up periodically from road sides. Drainage ditches are graded and cleaned as necessary and low areas are pumped when flooded. Temporary masonite street signs were put up by San Jose in Alviso; however, most of the signs have been broken or torn down. The Planning Department is presently considering changing the names of several streets such as Taylor and State, which extend to other parts of San Jose. When this decision has been made, standard San Jose street name signs will be installed throughout Alviso.

No work will be done by San Jose on the streets in the O'Neal Tract (Roosevelt, Jackson, Wilson, Truman, and Park) until they become public streets. All maps and documents have been prepared for the dedication of these streets and they will be dedicated following settlement of the court case.

In addition, San Jose has conducted the engineering studies required to establish elevations and other data necessary for the design of streets and storm sewers.

No capital expenditures have been undertaken for storm drain or street improvements during the past two fiscal years. Uncertainty regarding the final outcome of the consolidation court case has severely limited the City's abilities to implement capital improvements of this sort in Alviso.

B. AND C. DEDICATION OF STREETS

1. Contract Commitment. Accept all public streets and roads of the City of Alviso as public roads and streets of the consolidated City of San Jose.
2. Status. Accomplished.
3. City Expenditures. \$ 0.

D. PRIOR INDEBTEDNESS OF THE CITY OF SAN JOSE

1. Contract Commitment. Prior indebtedness of the City of San Jose would not be assumed by the people of Alviso unless the people of Alviso vote to assume such indebtedness.
2. Status. Accomplished.
3. City expenditure. \$ 0.

E. APPLICATION OF SAN JOSE BUILDING CODE

1. Contract Commitment. It was agreed that all new construction and improvements made in Alviso subsequent to consolidation would be required to conform to San Jose Building and Housing regulations. The San Jose City Council also stated that it was aware of the fact that a considerable number of existing structures may not meet San Jose Code requirements, and that such buildings would not become illegal after consolidation merely because of the imposition of stricter regulations by amendment. In view of this, the San Jose City Council urged a voluntary program to improve housing in Alviso and urged "the City Manager and other enforcing agencies and officers of the City to use great caution in the exercise of their enforcement powers, and to refrain from any action which would cause unnecessary hardship. It is only when an existing structure or building becomes a nuisance, dangerous to health, safety, or welfare, that some action (should be) taken to remedy the situation."
2. Status. Accomplished.
3. City Expenditures.

Capital	\$ -0-
Operating	<u>9,700</u>

Total	\$9,700
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4. Description. Inspection provided as needed by code enforcement officers.

X. EXPENDITURES FOR NON-CONTRACTUAL ITEMS

The City of San Jose has provided various services to Alviso over and above the commitments made in the contract between the City and the Alviso Improvement Corporation. A listing of major San Jose expenditures of this type follows. It should be noted that this is by no means an inclusive list of San Jose expenditures in Alviso.

These expenditures are summarized by fiscal year in Table II.

- A. OPERATION OF ALVISO SANITARY SEWER TREATMENT PLANT - \$121,850
(Fiscal year 1968-69 through 1972-73)

The existing plant is operating at capacity as it was designed to serve the existing sewer system and present urban population. To serve new development, the sewer lines would have to be tied into the San Jose-Santa Clara Plant, as (1) the old lines are too shallow, and (2) the Alviso Plant has no excess capacity. Costs to the City include operating and maintenance costs, and are partially offset by sewer-use charges from the Alviso area which are not figured in the \$121,850 cost shown above. These use fees approximately offset the bond retirement costs discussed on page 46.

- B. RESURFACING OF GOLD STREET FROM MOFFAT TO ROUTE 237 - \$10,000

This portion of the road is in Alviso but outside of the urbanized area and therefore beyond contract commitments.

- C. REMODELING OF RAILROAD BRIDGE OVER GUADALUPE RIVER - \$50,000

The City of San Jose contributed to raising the bridge by 14 feet so the railroad tracks would not have to be sandbagged at high tide.

- D. DEMOLITION OF OLD ALVISO CITY HALL - \$1,450

After the City Hall was vacated, it began to be vandalized and became a safety hazard.

- E. AREA CLEAN-UP CAMPAIGN - \$2,000

During the week of August 12, 1972, the clean-up campaign was conducted by the San Jose Housing and Community Development Department, the Alviso Chapter of the Community Service Organization, and the Rotary Club of San Jose.

- F. ALVISO PLANNING STUDY (Including Geotechnical Study) - \$73,000

Details on the Planning Study are covered in Section XI, below. The study lasted from May, 1970, until October 19, 1971, and the costs incurred by the City of San Jose included City staff, fringe benefits, and overhead.

G. STATE NEW TOWN LEGISLATION - \$17,000

San Jose drafted and worked for the enactment of special legislation which was signed by the Governor on August 23, 1972, (Stats. 1972 Ch. 1096, Operative March 1, 1973). Cost associated with the Alviso New Town legislation included City staff time, fringe benefits, and overhead.

XI. ALVISO PLANNING STUDY AND INTERIM POLICY GUIDE

An area planning study of Alviso was started in May of 1970, to develop a land-use plan for the area as a basis for final zoning. When consolidation occurred, San Jose had established "emergency" zoning that was as close as possible to Alviso's zoning. This is normally done when an area is first annexed to San Jose. The primary area of concern of this planning study was Alviso's dry-land area, with the wetlands as a secondary concern.

The San Jose Planning Department, with the assistance of other City personnel, provided staff for the study and worked closely with a 15-member committee composed as follows:

Alviso Community Improvement Corporation	- 3 representatives
Alviso Family Health Center	- 3 representatives
Community Service Organization	- 3 representatives
Alviso Homeowners Association	- 3 representatives
Santa Clara Unified School District	- 1 representative
San Jose City Council	- 1 representative
San Jose Planning Commission	- 1 representative

A Spanish interpreter was present at meetings of the Committee to facilitate the participation of Spanish-speaking people from Alviso. One member of this Committee also served as a liaison to the Santa Clara County Planning Policy Committee's Bayland Subcommittee.

A series of reports was prepared for the Alviso Planning Committee, published in both English and Spanish. These reports are listed below, and with the exception of the Geotechnical Study which was done by the firm of Cooper-Clark & Associates, all of these reports were prepared by City staff:

1. Current Plans and Proposals and Existing Zoning and Land Use
2. Social and Economic Characteristics
3. Adequacy of Public Facilities and Services
4. Flooding and Flood Control
5. Consumer Cooperatives - Possibilities for Alviso
6. The Alviso Community Plan - Alternative Concepts
7. The Alviso Community Plan
8. Policies on Employment Opportunities in Alviso
9. Proposed Alternative Routes for Highway 237 Realignment in the Alviso Area
10. Cost/Benefit of Wildlife Refuge
11. Housing Program Prospectus
12. Geotechnical Study of the North San Jose and Alviso Area

Most of the reports and their contents were tentatively approved by the Committee, with some adjustments.

It was the intention of the Alviso Planning Committee to withhold final approval of a comprehensive area plan until the end of the study process. At that time, the Committee planned to review the entire range of ideas it had covered and then give approval to a complete and integrated plan. However, the Alviso Planning Committee voted to dissolve on October 19, 1972. By this date, about 90 per cent of its work was completed. The dissolution of the Committee was primarily the result of (1) San Jose's approval of the National Wildlife Refuge in the Baylands Area which the Committee did not support; and (2) issues involving the consolidation of Alviso which caused disagreement among Committee members.

Upon dissolution of the Alviso Planning Committee, City staff prepared a composite report entitled, "Interim Policy Guide for Alviso." This report was based on the 12 reports prepared for the Planning Committee and was intended to reflect the informal intent and consensus of the Committee, recognizing the fact that the Committee had never taken formal action on an area plan for Alviso.

In April of 1972, the San Jose City Council approved the Interim Policy Guide. This was the closest that San Jose had come to approval of a plan for Alviso since neither the Council nor the San Jose Planning Commission officially approved any specific land-use plan for Alviso beyond the "emergency" zoning established at the time of consolidation. Key elements of the adopted Interim Guide are:

A. HOUSING

"Existing residential areas should be retained in their present predominant use."

B. COMMERCIAL

"Existing convenience facilities in existing residential portions of Alviso shall be encouraged to remain in operation."

C. COMMUNITY PLAZA

"Establish the site of the former Alviso City Hall as a community square or park."

D. MARINE DISTRICT

"Promote a mix of marine-oriented commercial and industrial development in the marine district" (around and near the present boat-building and repair shops and the County Marina).

E. INDUSTRY

"Boat building and repair services should be encouraged to expand in the Marine District ... Lands held by the City of San Jose which are not needed for the expanding Water Quality Control Plan should be held and developed or sold for industrial parks."

XII. ADDITIONAL STUDIES AND PLANS FOR ALVISO

A. GUADALUPE MARINA STUDY

In 1967, the San Jose Planning Department prepared a report proposing the development of a water-oriented recreation area at the south end of the San Francisco Bay, near the Alviso Slough. The purpose of the report was to demonstrate the benefits of water-oriented recreation areas and to promote the development of such an area in San Jose. The report dealt with the South Bay location as an example of possible locations rather than as a specific recommendation.

B. BAYLANDS POLICY PLAN

The Baylands Policy Plan was developed by the Santa Clara County Planning Policy Committee (PPC) as a policy rather than land-use plan. It recommends that no development be allowed in the wetlands area, thereby excluding all kinds of urban development, even commercial recreation development, such as the Marina discussed above. In addition, the Baylands Plan seeks to limit development of the drylands, especially in areas where geotechnical problems exist.

On May 12, 1972, in response to a County request for comments on a draft on the Baylands Plan, the San Jose City Council approved the transmittal to PPC of a memorandum stating San Jose's recommendations for two changes in the Plan:

- (1) Exclude the area south of State Street and Los Esteros Road from the Plan; and
- (2) Include the future development of a recreational marina in the Baylands as an option.

These recommendations were not included in the final plan approved by the County Board of Supervisors on March 28, 1973.

The PPC Baylands Policy Plan will have no binding effect on San Jose unless it is approved and adopted by the City Council. To date, the final draft of the Plan has not been approved by either the San Jose Planning Commission or the City Council.

C. COOPER-CLARK GEOTECHNICAL STUDY

Cooper-Clark and Associates were hired by the City of San Jose to develop environmental, geological, and soil engineering data on the drylands area of Alviso for use in the formulation of a land-use plan for Alviso. The final report was submitted in April of 1971, and concluded that:

- (1) Most of the drylands area is buildable as long as soil and geologic development standards outlined in the report are followed.
- (2) Compliance with these standards could make some kinds of development, such as the construction of commercial, industrial, or other structures two or more stories in height, economically unfeasible.
- (3) A few areas, mostly those adjacent to the Guadalupe and Coyote Rivers, are subject to seismic hazards.

The report also defined the floodable area of Alviso and outlined several ways of solving the flooding problem including a sanitary land-fill program which could simultaneously produce buildable land safe from flooding and produce a profit.

D. TUDOR ENGINEERING STUDY

The Santa Clara County Flood Control and Water District hired the Tudor Engineering Company to develop information on current salt-water flooding of the Baylands area and solutions to prevent such flooding. In April of 1973, the study was presented to the Flood Control and Water District.

The study concluded that the existing levee systems were inadequate protection against salt-water flooding and outlined alternative flood control methods. (See Map 2): (1) an inboard levee plan; and (2) an outboard levee plan. Based on their analysis and the policies and plans of the Santa Clara County Planning Policy Committee, Bay Conservation and Development Commission, Army Corps of Engineers, the National Wildlife Refuge Plan, Tudor Engineers recommended the Inboard Levee Plan as the most appropriate solution.

The estimated costs of the two alternatives as they specifically relate to Alviso Are:

1. Construction of inboard levees -	\$ 7,200,000
2. Construction of outboard levees -	\$15,300,000

Both the inboard and outboard levee proposals are primarily designed to provide protection from salt-water flooding and either alternative would offer some protection against fresh-water flooding. It is clear that in order to provide full protection of this sort, however, substantial improvements will have to be made along both the Coyote and Guadalupe Rivers. Current preliminary estimates by the Flood Control and Water District for fresh-water protection along both rivers north of Highway 237 is approximately \$10,000,000. Additional improvements would be needed south of Highway 237 to prevent flooding in Alviso due to overflow in the immediate upstream area. Such improvements are estimated to cost \$16,000,000 or more. The salt-water and fresh-water flood-protection improvements would require an annual maintenance cost of \$15,000-\$20,000.

In summary, the total cost for salt- and fresh-water flood control, given the inboard levee alternative, would be \$33.2 million. The financing of flood control is the responsibility of the Santa Clara Flood Control and Water District and it is not clear at this point in time exactly how this financing will be undertaken. Alternatives include (1) a tax assessment district comprised of the four flood control zones whose watersheds drain into the Bay through the Baylands; (2) a tax assessment district comprised solely of the lands directly benefited; (3) Federal or State grants in combination with tax assessment.

The Flood Control District has not yet taken a position on any of the flood-control or financing alternatives under consideration and is in the process of studying the proposals and informing citizens and local governmental units about the alternatives. Municipalities are being asked to comment on the proposals by September 1, 1973. Once the Flood Control District adopts one of the alternative flood-control plans, an Environmental Impact Report (EIR) will be required; if the EIR is adopted, an implementation plan, including financing proposals, will be developed.

E. CORPS OF ENGINEERS STUDY AND POLICY

In 1972, the U.S. Army Corps of Engineers began a study of the Guadalupe River and adjacent streams. A citizens advisory committee, including four official San Jose representatives, has been formed to work with the Corps of Engineers on this study. This Committee expects to complete its recommendations to the Corps by December 1973. By August 1974, the Corps will complete its reconnaissance and feasibility study and decide whether or not it will participate in flood improvement work.

If the Corps of Engineers participates in a flood-control project, it only pays for the construction costs. Up until recently, the State has been paying the additional costs for land, easements, and right-of-way. Now the State is reviewing this policy and is likely to require 25 to 50 per cent of these costs from the local area. If all of the financing were worked out it would be ten years after the Corps' decision to participate before the flood-protection facilities would be completed.

Recently, the Corps of Engineers issued to all jurisdictions whose boundaries front on bays and/or estuaries, policies concerning the River and Harbor Act of 1899 and Section 404 of the Federal Water Pollution Control Act Amendments of 1972 (PL 92-500). The Corps policy states that "it is a violation of Federal law to perform any work in most waterways of the United States without a Department of Army permit." In other words, any construction undertaken by private or public agencies in the Alviso drylands area, subject to salt-water flooding (See Map 2), will require the review and approval of the Army Corps of Engineers. The land under Corps of Engineers jurisdiction is described as being "4.49 feet above the mean sea level of

all lands subject to tidal inundation, including the drylands subject to salt-water flooding." Alviso is two feet above mean sea level and is therefore subject to the Corps jurisdiction. The Planning Department is currently in the process of establishing procedures to comply with these regulations.

F. AIRPORT PROPOSALS

During 1968 and 1969, several reports concerning new locations for the San Jose Municipal Airport were prepared by the Planning and Airport Departments and also by consultants. Some of the potential sites were in or near Alviso. In 1970 the San Jose City Council directed City staff to begin development of a community plan for Alviso without giving consideration to potential airport sites.

XIII, SAN FRANCISCO BAY WILDLIFE REFUGE

On July 13, 1973, the Federal Government approved the development of a National Wildlife Refuge in the South Bay area (see Map 3), and set aside \$21 million for the acquisition and development of approximately 4,000 acres for the refuge. These funds have been impounded by the Office of Management and Budget until July, 1974, but the Federal Government has implied that they will be released in FY '75.

The San Francisco Bay Wildlife Refuge will be divided into 3 areas of which Alviso is one. The Department of the Interior will be in charge of land acquisition and development for the entire refuge. Santa Clara County has already donated 164 acres north of State Street and Spreckles Avenue to the Wildlife Refuge and the Federal Government will request the donation of between 30 and 40 acres north of Spreckles Avenue and State Street, currently owned by San Jose. The local jurisdictions will be reimbursed 3/4 of 1% of the appraised value of the donated lands.

Initial discussions on the development of the refuge have included the staged development of a major administrative center in the Alviso portion of the refuge. The center would begin as a nature interpretive center, expand to include research and educational facilities for local schools and colleges, and eventually become a major sub-regional administrative and educational center. A tentative location for the center near the existing Alviso Marina has been recommended by the San Jose Planning Department, with the joint agreement of the County Planning Department and U.S. Department of the Interior.

XIV. STATE NEW TOWN LEGISLATION

Until recently, the U. S. Department of Housing and Urban Development (HUD) has provided various forms of financial assistance for the development of new towns, including guarantees of developers' obligations, loans and grants for new town planning, grants for the provision of essential public services during the first 3 years, grants to supplement other Federal grants for the construction of certain physical facilities and grants and loans to cover the costs of interest payments on indebtedness associated with new town development programs. In 1971, a group from the Alviso Family Health Center approached the Mayor of San Jose regarding the possibility of using Federal new communities assistance to develop and improve Alviso. San Jose contacted HUD and received a favorable response on new town funding possibilities for Alviso. The boundaries of this proposed new town are shown on Map 1.

To qualify for HUD funding, it was necessary to form either a public or private development corporation. San Jose chose to establish a public corporation for an Alviso new town development since such a public body would have greater powers of planning, programming, and acquiring land. In addition, active citizen involvement could be assured in the design of a public corporation and HUD was more inclined to fund a publicly developed new town since it had several privately developed new community projects underway.

In order for San Jose to create a public new town development corporation, it was necessary to have State enabling legislation enacted. In 1972, San Jose was successful in obtaining enactment of such legislation (Senate Bill No. 1394, Chapter 1096) which was signed by the Governor on August 23, 1972. However, following passage of this legislation, the City of San Jose was unable to further pursue the establishment of the public Alviso Nuevo Development Corporation or to obtain HUD funding until the court case against consolidation was settled. The two reasons for this were: (1) the City Attorney's ruling on the personal liability of San Jose City Council members regarding long-term contractual commitments made in Alviso; and (2) the unlikelihood of HUD funding a new town whose future was yet to be determined by a court decision.

Future City action with regard to a new town development in Alviso has been inhibited by the withdrawal of direct Federal loan and grant assistance for new community development. The only assistance that will be available from HUD in the future, will be Federal Government guarantee of bonds, debentures, notes, and other obligations issued by, or on behalf of private and public new town developers to finance land assembly and development costs. During FY '74, HUD

will be able to guarantee commitments for approximately 10 new communities. What this means in terms of the development of an Alviso new town is that even if San Jose were able to obtain a Federal guarantee, an Alviso new town development might not be economically feasible since San Jose would have to finance all of the front end costs associated with planning and assembling land for the new town, and would have to finance the total cost of development, public services, interest on indebtedness, etc.

XV. POTENTIAL FUTURE EXPENDITURES

Previous sections of this report have outlined past San Jose expenditures related to the San Jose-Alviso Improvement Corporation contract (Section IX) and additional expenditures made by the City of San Jose over and above those contained in the contract (Section X). The following section deals with the future expenditures required if San Jose fulfills contractual obligations and makes additional improvements in the area based on the present policy of maintaining existing and fostering new residential development. The cost estimates are in 1973 dollars, and are subject to inflation and rate increases that may occur in the future. This information is summarized in Table 3.

A. FIRE PROTECTION

- | | |
|--------------------------------------|-----------|
| 1. Anticipated capital expenditures: | -0-* |
| 2. Estimated annual operating cost: | \$247,045 |

(NOTE: moving the existing fire station to a location south of the present location would better serve the North San Jose area and eliminate the need for a new station in the future. If this move is implemented, fire protection to Alviso would be provided at the same level of service, but at a reduced cost. Such a movement may require renegotiation of the existing contract, which requires that the City provide a station in Alviso.)

B. POLICE PROTECTION

- | | |
|--------------------------------------|-----------|
| 1. Anticipated capital expenditures: | -0-* |
| 2. Estimated annual operating cost: | \$137,610 |

C. STANDBY WATER CONNECTION

- | | |
|---|-----------|
| 1. Anticipated capital expenditures: | \$ 20,000 |
| 2. Estimated annual operating cost | -0- |
| 3. Description: Provision for a water crossing at Gold Street Bridge. | |

* Fire and Police vehicle costs are shown as yearly operating costs in this section.

D. MUNICIPAL WATER SYSTEM

1. <u>Anticipated capital expenditures:</u>	-0-
2. <u>Estimated annual operating costs</u> for the current 300 users	\$ 22,465
3. <u>Description:</u> There are at present approximately 300 users in the Alviso Municipal system, but 800 users are required for the system to cover its costs through water use fees. In 1971-72, the system received \$34,580 in income and had total operating expenses of \$44,190, for a loss of \$9,610. When depreciation of \$12,855 is included, operating losses were \$22,465.	

E. LIBRARY SERVICE

1. <u>Anticipated capital expenditures:</u>	-0-
2. <u>Estimated annual operating costs:</u>	\$ 6,480

F. RECREATION

1. <u>Anticipated capital expenditures:</u>	-0-
2. <u>Estimated annual operating costs:</u>	\$ 18,335

G & H. COMMUNITY CENTER FACILITY AND SWIMMING POOL

1. <u>Anticipated capital expenditures:</u>	\$382,000
2. <u>Estimated annual operating costs:</u>	75,000
3. <u>Description:</u> The current capital cost of this facility as included in San Jose's 1973-1978 Capital Improvement Program is \$450,000. Santa Clara Unified School District still has a commitment of \$68,000 for this project, reducing the City of San Jose's share to \$382,000. San Jose had been counting on a HUD Neighborhood Facilities grant of \$189,000 for the Alviso Community Center and swimming pool, but special grants for neighborhood facilities have been eliminated at the Federal level. An alternative source of Federal assistance which may be available would be the proposed Better Communities Act. It would be left to the City of San Jose to select this project for funding out of the City's allocation under the Act.	

I. PARK FACILITIES

1. <u>Anticipated capital expenditures:</u>	-0-
2. <u>Estimated annual operating costs:</u>	\$ 10,330

J. STREET LIGHTS

1. Anticipated capital expenditures:	-0-
2. Estimated annual operating costs:	\$. 3,115

K. STORM DRAINAGE SYSTEM

1. <u>Anticipated capital expenditures:</u>	
a. Minimal improvements	\$ 296,200
b. More complete improvements	1,191,000

2. <u>Estimated annual operating costs:</u>	
a. Minimal improvements	\$ 6,000
b. More complete improvements	6,000

3. Description:

a. Minimal Improvements:

The minimal storm drainage improvements for Alviso include a system of ditches, culverts and an underground pipe network.

The biggest drainage problem is in the residential areas, the lowest part of Alviso. Drainage swales will have to be cut on both sides of State Street, Wabash Avenue, and Michigan Avenue, and along the north side of Grand Boulevard. These swales will convey the water to the intersections where it will be picked up by inlets and directed into the underground pipe system. The drain pipes will be installed on Pacific Avenue, Essex Street, and Archer Street. When the water reaches Grand Boulevard, it will be pumped into the existing drainage ditch on the south side of the street.

The commerical district has an inadequate existing drainage pattern. Improvements will include an underground drainage system, with inlets at every intersection, to drain the water to a point on Catherine Street where it will be pumped into a ponding area.

To increase the efficiency of this minimal system, certain streets will have to be resurfaced with oil and screening.

If the minimal improvements were constructed, they would be incorporated into the ultimate system, with the exception of some ditches and culverts which would be removed or abandoned.

The cost estimate for such minimal improvements is as follows:

Ditches	\$ 9,200
Culverts	7,000
Pumps	20,000
pipes, manholes, inlets	230,000
surfacing	<u>30,000</u>
 TOTAL	 \$296,200

The 1973-74 City budget provides funds for the surfacing work which will be done by the City Street Maintenance Division. The funds for the remainder of the work has not been budgeted due to pending litigation.

b. More complete improvements (see Map 5).

The more complete storm drain improvements to serve Alviso's existing urban area and the expansion of it fostered by San Jose's present policy as defined in the Interim Policy Guide, include a complete underground drainage system, berm construction, pump station and some street resurfacing.

The system would adequately drain the streets with a minimum of overland flow. The berms would provide some protection from fresh water flooding, and the pump station would pump the storm water runoff collected by the drainage system into a ponding area.

The cost estimate for the more complete system is as follows:

Pipe drainage system	\$ 760,000
Berm construction	70,000
Pump station	273,000
Land for ponding area	58,000
Resurfacing	<u>30,000</u>
 TOTAL	 \$1,191,000

- c. If the City decided to implement immediately the minimal system at a cost of \$296,000, and at some point in the future decided to implement the more complete system, costs for the more complete system are estimated to be approximately \$1,000,000.

L. EXISTING SANITARY SEWER SYSTEM

1. Anticipated capital expenditures:

a. Connection to SJ-SC Treatment Plant	\$344,800
b. Correct infiltration problem:	
Repair (or)	57,000
Replacement	662,000

2. Estimated annual operating costs: 8,000
 (after connection)

3. Description: The existing sanitary sewer system, including a lift pump and treatment plant, costs approximately \$23,000 per year to operate. It operates satisfactorily except during periods when storm and salt water infiltration is a problem. Any extension of the system, except the interconnection of existing mains, is impossible because the system is too shallow.

To connect the existing system into the SJ-SC Treatment Plant would require a permanent pump station and a main connection to Alviso. The existing treatment plant would then be abandoned. Map 5 indicates the location of the proposed sanitary line connection.

Capital costs for connection to treatment plant:

Pump Station	\$150,000
3,800' of 10" pipe @ \$50/ft.	190,000
6 manholes @ \$800/ea.	<u>4,800</u>
TOTAL	\$344,800

Annual operating costs:

(Existing: Alviso Treatment Plant \$23,000)

Proposed: SJ-SC plant connection	\$5,000
Pump station	<u>3,000</u>
TOTAL	\$8,000

To correct the excessive infiltration problems would require either a repair of the present system through a joint sealing process or total replacement of the system. Cost estimates for the two alternatives are:

a. Repair	\$ 57,000
b. Replacement:	
Pipe	572,000
Manholes	20,000
Pump station	<u>70,000</u>
TOTAL	\$662,000

M. APPLICATION OF SAN JOSE CODES:

1. <u>Anticipated capital expenditures:</u>	-0-
2. <u>Estimated annual operating costs:</u>	\$ 2,170

O. SUMMARY

1. Anticipated capital expenditures (excluding flood protection and bond obligations):

a. With minimum storm drainage improvements	\$1,043,000
b. With more complete storm drainage system improvements	1,937,800

2. Estimated annual operating costs:
(excluding flood protection)

536,550

N. BOND OBLIGATIONS

1. Sewer Plant Bonds:

As of July 1, 1973, \$324,000 of 1961 Alviso Sewer Plant Bonds were outstanding. The schedule for repayment is shown below. If the Sewer Plant were phased out these bonds would still have to be paid off. These bond costs are not included in the operating costs shown in Table II or in the text of this report. However, these costs approximately equal the sewer use fees collected as revenue.

1973 - 1976	\$10,000 per year
1977 - 1981	15,000 per year
1982	17,000
1983 - 1986	18,000 per year
1987 - 1991	24,000 per year

2. Water System Bonds:

As of January 1, 1973, \$215,000 of 40-year Alviso Water Company Bonds, issued in 1964, were outstanding. The bond retirement costs to date have been reflected in the operating costs shown elsewhere in this report. The schedule for payment is:

1974 - 1979	\$ 4,000 per year
1980 - 1985	5,000 per year
1986 - 1989	6,000 per year
1990 - 1993	7,000 per year
1994 - 1996	8,000 per year
1997	9,000
1998 - 2000	10,000 per year
2001 - 2002	11,000 per year
2003 - 2004	12,000 per year

XVI. ESTIMATED REVENUES TO SAN JOSE FROM ALVISO

Estimated revenues from the Alviso area to the City of San Jose have equaled \$963,371 during the period of March 11, 1968 to June 30, 1973. Taxes and service charges included in this figure include property taxes, sales tax, cigarette tax, utility tax, State gasoline tax, sewer charges, business license and permit fees, business inventory tax relief, and homeowners property tax relief. Total estimated revenues by fiscal year are:

Town of Alviso Cash	
Balance - 3/11/68	\$123,460
1967-68	52,630
1968-69	124,152
1969-70	141,399
1970-71	170,259
1971-72	173,996
1972-73*	177,475
TOTAL	<u>\$963,371</u>

* Projected Receipts

XVII. REVENUES VS EXPENDITURES

Since Alviso was consolidated with the City of San Jose in March of 1968, San Jose has spent an estimated \$2.9 million for improvements and operations in the Alviso area. When revenues to San Jose from the Alviso area (an estimated \$963,370 from March 11, 1968 to June 30, 1973) are compared to San Jose expenditures for the same 1968-73 period, a deficit to San Jose of \$1.9 million is found. A detailed comparison of revenues and expenditures may be found in Table II.

XVIII. ALTERNATIVES FOR FINANCING FUTURE CAPITAL IMPROVEMENTS.

With regard to financing future capital improvements in Alviso described in Section XV of this report, there are several possibilities. Minimum improvements in the storm drainage system (estimated cost of \$296,200) could be made from current San Jose Storm Drainage Funds.

However, more complete improvements for the storm drainage system, improvement of the sanitary sewer system, construction of the community center and other capital improvements associated with development in Alviso would require funds far in excess of those currently available to the City. Capital improvement activities could be financed through any of the following methods:

- General obligation bonds which would have to be voted on by the entire electorate of the City of San Jose.
- Formation of an assessment district and imposition of a levy against the property owners benefiting from the improvements.
- General Fund contribution for the facilities.
- Some combination of the above.

As far as salt and fresh water flood protection is concerned, the type of improvements made and the method of financing such improvements are the responsibility of the Santa Clara County Flood Control and Water District. San Jose residents will in all likelihood bear some portion of the costs through assessment district or bond programs.

There are currently no state funds available to provide the City of San Jose with assistance to solve Alviso's flooding problems, but federal assistance may be possible as noted in Section XII E.

XIX. DISANNEXATION PROCESS

Under California State law (Government Code Section 35500 et. seq.), there are separate procedures governing the disannexation of inhabited territory and uninhabited territory. Territory is "uninhabited" if less than 12 persons, registered to vote within the territory for at least 54 days, reside within the territory when a petition is filed or when the city legislative body has instituted proceedings (Gov't. Code 35303). Basically, the process for exclusion of inhabited territory would require the following series of actions:

1. Local Agency Formation Commission (LAFCO) approves request for exclusion after conducting hearings.
2. Petition requesting exclusion signed by not less than a majority of the qualified electors of the City as shown by the vote cast at the last municipal election must be presented to the San Jose City Council. (Currently, based on the June 5, 1973, municipal election turnout of 31,921, the signatures of at least 15,961 qualified electors would be required).
3. Council must publish public notice of election four (4) weeks prior to the election on the exclusion proposition.
4. Council notifies LAFCO of election call and LAFCO prepares and approves an impartial analysis.
5. Arguments for and against exclusion are filed with City Clerk and Clerk selects one "for" and one "against" argument for distribution to citizens.
6. Ballot pamphlet mailed to each voter eligible to vote on exclusion proposition.
7. Electors residing in territory proposed for exclusion vote only at polls in such territory.
8. Election results in territory and City are canvassed separately.
9. If majority of votes cast in territory and majority of votes in City are for exclusion, the territory would cease to be part of San Jose once the vote returns were filed by the Secretary of State. However, the excluded territory (Alviso) remains liable for debts contracted by the City (San Jose) of which it was formerly a part.

Some Alviso residents formally declared their intention to seek disannexation from San Jose at the June 6, 1973, meeting of LAFCO and LAFCO has granted an extension for filing proper documents.

Concerning the exclusion of uninhabited territory, there are three alternative procedures: (1) 10 per cent petition and majority election; (2) Council-initiated exclusion without election, where territory was annexed to the City and uninhabited; and (3) exclusion of charter county-owned uninhabited territory from charter city. These procedures are not applicable in the case of Alviso as the area of primary concern is defined as "inhabited."

XX. REFERENCES

The references listed below provide background information for this report. Copies of these references have been placed in the following locations and are publicly available for viewing in these locations:

- . City Clerk's Office, first floor, San Jose City Hall
 - . Alviso Family Health Center Building, Alviso
 - . Community Service Organization Building, Alviso
 - . Star of the Sea Church, Alviso
 - . Public Library, Alviso
 - . Fire Station, Alviso
1. Contract between City of San Jose and Alviso Improvement Corporation, November 1, 1967.
 2. Interim Policy Guide for Alviso, San Jose Planning Department, December, 1971.
 3. Summary of a report to the Santa Clara County Flood Control and Water District on the Baylands Salt Water Flood Control Planning Study, Tudor Engineering, January, 1973.
 4. Alviso! Guadalupe River Advisory Committee, July 20, 1973.
 5. Public Brochure Study of the Guadalupe River and Adjacent Streams, Guadalupe Advisory Committee, May, 1973.
 6. A National Wildlife Refuge for South San Francisco Bay, County of Santa Clara Planning Department, September, 1969.

TABLE I

SUMMARY OF PHYSICAL AND ECONOMIC CHARACTERISTICS OF ALVISOA. LAND AREA AND EXISTING LAND USES

1. Total Area in the Former City of Alviso:	-	8,693 acres
a. Wetlands area	6,443 acres	
b. Drylands area	2,250 acres	
2. Existing Land Uses, Drylands Area, 1970		
a. Developed for Urban uses		504 acres
Residential	57 acres	
Commercial	10 acres	
Manufacturing and		
Industrial	26 acres	
Transportation, Communi-		
cation and Utilities	398 acres	
Public and Quasi-public	13 acres	
b. Undeveloped		1,746 acres
Publicly-owned	853 acres	
Privately-owned	893 acres	

B. POPULATION*

1. Total Alviso Population, 1970	1,853	
2. Special Characteristics:		
a. % of population between 0 - 19 years of age	57%	All of San Jose (1970)
b. % of households earning less than \$4,000/year	34%	
c. % minority (Mexican-American) population	63%	42% 8.5% 22%

*Population and housing figures from 1970 census data are approximate because census tract boundaries are not coterminous with Alviso's former city limits.

**Separate figures for former City of Alviso were not available from the 1970 census.

TABLE I (continued)

C. HOUSING AND FAMILY SIZE*

1. Total occupied housing units in Alviso, 1970 360 units

2. Special Characteristics:

	<u>Alviso</u>	<u>All of San Jose</u>
a. % of total units substandard	48% (1966)	less than 10% (1970)
b. % of total units which are single-family, 1970	93%	72%
c. % of single-family units owner-occupied, 1970	32%	62%
d. % of single-family units renter-occupied, 1970	68%	38%
e. Persons per household, 1970	5.14	3.1

D. PROPERTY VALUES AND TAXES, 1972

	<u>Alviso</u>	<u>All of San Jose</u>
1. Average assessment per single-family dwelling unit on a typical block	\$1,688	\$ 6,350
2. Average market value @ 4 times assessment per single-family dwelling unit on a typical block	6,752	25,450
3. Average property taxes paid per single-family dwelling unit on a typical block based on the average assessment	203	772
4. Average property tax revenue to San Jose per single-family unit on a typical block based on the average assessment	25	120

*Population and housing figures from 1970 census data are approximate because census tract boundaries are not coterminous with Alviso's former city limits.

TABLE I (continued)

**E. ALVISO PROPERTY TAX RATES PRIOR TO AND SUBSEQUENT TO CONSOLIDATION
(PER \$100 OF ASSESSED VALUATION)**

1. Prior to consolidation, FY 1967-68

	<u>ZONES*</u>		
	<u>1-000</u>	<u>1-001</u>	<u>1-002</u>
City	\$ 1.300	\$ 1.300	\$ 1.300
County & County Library	2.343	2.343	2.343
Schools	6.482	6.482	6.482
Special Districts	<u>.232</u>	<u>.156</u>	<u>.759</u>
TOTAL	\$10.357	\$10.281	\$10.884

2. Subsequent to consolidation, FY 1968-69

	<u>ZONES*</u>		
	<u>40-854</u>	<u>40-861</u>	<u>40-862</u>
City	\$ 1.345	\$ 1.345	\$ 1.345
County	2.052	2.052	2.052
Schools	6.525	6.525	6.525
Special Districts	<u>.231</u>	<u>.231</u>	<u>.231</u>
TOTAL	\$10.153	\$10.063	\$10.799

F. MONTHLY WATER USER CHARGES IN ALVISO (not including utility tax)

Based on 5/8" x 3/4" connection which is the size found in almost all residential properties.

<u>Cubic Feet per Month Used**</u>	<u>Before Consolidation</u>	<u>After Consolidation</u>	
		<u>3/68-6/72</u>	<u>7/72 to date</u>
1. 500 cubic feet	\$ 6.00	\$3.60	\$3.98
2. 1,000 cubic feet	8.50	5.40	5.65
3. 1,500 cubic feet	10.50	7.20	7.43
4. 2,000 cubic feet	12.50	9.50	9.10

* Zone number changed, but zones cover same geographic area.

** Based on a recent San Jose Water Works study, in April of 1973, the average monthly volume used in the Evergreen System was 935 cubic feet. Average monthly usage in the Alviso area should be approximately the same.

TABLE II
ESTIMATED CITY CAPITAL AND OPERATING
EXPENDITURES AND REVENUES

CATEGORY OF EXPENDITURES ²	1968-69	1969-70	1970-71	1971-72	1972-73 ¹	TOTAL
A. CONTRACTUAL						
1. Fire Capital	28,970	13,755	2,550	2,550	2,550	50,375
Operating	<u>196,970</u>	<u>210,290</u>	<u>221,405</u>	<u>238,490</u>	<u>244,495</u>	<u>1,111,650</u>
Sub-total	<u>225,940</u>	<u>224,045</u>	<u>223,955</u>	<u>241,040</u>	<u>247,045</u>	<u>1,162,025</u>
2. Police Capital	7,600	7,600	3,500	3,500	3,500	25,700
Operating	<u>107,880</u>	<u>112,990</u>	<u>119,295</u>	<u>126,720</u>	<u>134,110</u>	<u>600,995</u>
Sub-total	<u>115,480</u>	<u>120,590</u>	<u>122,795</u>	<u>130,220</u>	<u>137,610</u>	<u>626,695</u>
3. and 4. Water Service Capital						201,470
1) Connection to Hetch-Hetchy	-0-	119,875	-0-	-0-	-0-	
2) Addition of Capital Impvts	-0-	-0-	-0-	-0-	81,595	
Operating	<u>24,140</u>	<u>34,925</u>	<u>20,030</u>	<u>22,465</u>	<u>22,465</u>	<u>124,025</u>
Sub-total	<u>24,140</u>	<u>154,800</u>	<u>20,030</u>	<u>22,465</u>	<u>104,060</u>	<u>325,495</u>
5. Library Capital	4,500	-0-	-0-	-0-	-0-	4,500
Operating	<u>600</u>	<u>5,460</u>	<u>5,460</u>	<u>5,740</u>	<u>6,480</u>	<u>23,740</u>
Sub-total	<u>5,100</u>	<u>5,460</u>	<u>5,460</u>	<u>5,740</u>	<u>6,480</u>	<u>28,240</u>
6. Recreation Capital	-0-	-0-	-0-	-0-	-0-	-0-
Operating	-0-	-0-	<u>16,290</u>	<u>17,700</u>	<u>18,335</u>	<u>52,325</u>
Sub-total	<u>-0-</u>	<u>-0-</u>	<u>16,290</u>	<u>17,700</u>	<u>18,335</u>	<u>52,325</u>
7. Community Center	0	0	0	0	0	0
8. Swimming Pool						
9. Park Services Capital	114,390	44,060	30,160	1,125	-0-	189,735
Operating	<u>-0-</u>	<u>-0-</u>	<u>9,180</u>	<u>9,970</u>	<u>10,330</u>	<u>29,480</u>
Sub-total	<u>114,390</u>	<u>44,060</u>	<u>39,340</u>	<u>11,095</u>	<u>10,330</u>	<u>219,215</u>
10. Street Lights Capital	-0-	-0-	-0-	-0-	-0-	-0-
Operating	<u>2,750</u>	<u>2,875</u>	<u>2,875</u>	<u>2,980</u>	<u>3,115</u>	<u>14,595</u>
Sub-total	<u>2,750</u>	<u>2,875</u>	<u>2,875</u>	<u>2,980</u>	<u>3,115</u>	<u>14,595</u>

TABLE II

ESTIMATED CITY CAPITAL AND OPERATING
EXPENDITURES AND REVENUES

<u>CATEGORY OF EXPENDITURE²</u>	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73</u>	<u>TOTAL</u>
A. Contractual (Cont'd)						
11. Storm Drains & Street Impvmts.						
Capital						78,000
1) Oil and screen all streets	-0-	65,000	-0-	-0-	-0-	
2) Reconstruct Gold Street (Moffat to Taylor)	-0-	-0-	13,000	-0-	-0-	
Operating	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>	<u>28,000</u>	<u>120,000</u>
Sub-total	<u>23,000</u>	<u>88,000</u>	<u>36,000</u>	<u>23,000</u>	<u>28,000</u>	<u>198,000</u>
E. Application of San Jose Codes						
Capital	-0-	-0-	-0-	-0-	-0-	-0-
Operating	<u>1,730</u>	<u>1,825</u>	<u>1,880</u>	<u>2,095</u>	<u>2,170</u>	<u>9,700</u>
Sub-total	<u>1,730</u>	<u>1,825</u>	<u>1,880</u>	<u>2,095</u>	<u>2,170</u>	<u>9,700</u>
Sub-total Capital	155,460	250,290	49,210	7,175	87,645	549,780
Sub-total Operating	<u>357,070</u>	<u>391,365</u>	<u>419,415</u>	<u>449,160</u>	<u>469,500</u>	<u>2,086,510</u>
Sub-total Capital/Operating	<u>512,530</u>	<u>641,655</u>	<u>468,625</u>	<u>456,335</u>	<u>557,145</u>	<u>2,636,290</u>
II. ADDITIONAL EXPENDITURES						
A. Operate Existing Sanitary Sewer Trmt. Plant	22,170	23,215	24,585	27,880	24,000	121,850
B. Resurface Gold Street (Moffat to Rte 237)	0	0	0	0	10,000	10,000
C. Remodel Railroad Bridge on Guadalupe River	-0-	-0-	50,000	-0-	-0-	50,000
D. Demolish Old City Hall	1,450	-0-	-0-	-0-	-0-	1,450
E. Area Clean-up Campaign	-0-	-0-	-0-	-0-	2,000	2,000
F. Alviso Planning Studies	-0-	-0-	73,310	-0-	-0-	73,310
G. State New Town Legislation	-0-	-0-	-0-	<u>17,000</u>	-0-	<u>17,000</u>
Sub-total Additional Expenditures	<u>23,620</u>	<u>23,215</u>	<u>147,895</u>	<u>44,880</u>	<u>36,000</u>	<u>275,610</u>

TABLE II
ESTIMATED CITY CAPITAL AND OPERATING
EXPENDITURES AND REVENUES

	<u>1967-68</u>	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73</u>	<u>TOTAL</u>
Total City Expenditures in Alviso 1967-68 to 1972-73	-0-	536,150	664,870	616,520	501,215	593,145	2,911,900
Total Revenue from Alviso 1967-68 to 1972-73	176,090 ³	124,152	141,399	170,259	173,995	177,475 ⁴	963,370
Revenues Minus Expenditures	176,090	(411,998)	(523,471)	(446,261)	(327,220)	(415,670)	(1,948,530)

1. Figures have been estimated through June, 1973.
2. Items listed under "Category of Expenditures" are keyed to headings in Sections IX and X in the text. Some items discussed in the text are not shown in the table because no significant cost is associated with them.
3. Estimated revenues from March 11, 1968, through June 30, 1968, including cash balance in Alviso Treasury of \$123,460 at the time of consolidation.
4. Actual 1972-73 revenues not available. Projected to include a 2 per cent increase from 1971-72.

TABLE 3

ESTIMATED COSTS TO SAN JOSE FOR (1)
POTENTIAL CAPITAL IMPROVEMENTS IN ALVISO

	<u>ANTICIPATED ONE-TIME CAPITAL EXPENDITURES (1)</u>	<u>ESTIMATED ANNUAL OPERATING COSTS</u>
1. Fire Protection	0	\$247,045 (2)
2. Police Protection	0	137,610 (2)
3. Stand-by Water Connection Gold Street Bridge Improvement	\$ 20,000	negligible
4. Existing Municipal Water System	0	22,465
5. Library Service	0	6,480
6. Recreation	0	18,335
7. Community Center & Swimming Pool	382,000	75,000
8. Park Facilities	0	10,330
9. Street Lights	0	3,115
10. Storm Drainage System		
a. Minimum Improvements	296,200	6,000
b. More complete improvements	1,191,000	
11. Existing Sanitary Sewer System		
a. Connection to SJ-SC Treatment Plant	344,800	8,000
b. Correct infiltration problem or replace entire system	57,000 662,000	
12. Application of San Jose Codes	<u>0</u>	<u>2,170</u>

City of San Jose Total:

- With minimum storm drainage system improvements and repair of infiltration problem in sanitary sewers	\$1,100,000	\$536,550
- With more complete improvements system improvements and replacement of existing sanitary sewer system	\$2,599,800	\$536,550

NOTES:

- (1) All figures in Table 4 are shown in 1973 dollars. Also, the cost for flood protection is not included in this table.
- (2) Operating costs include the cost of continuing current operations in Alviso as well as future operating costs for certain facilities yet to be constructed. For Police and Fire protection the appropriate annual depreciation for a fire engine and for police vehicles is included as a "yearly operating cost". These are actually "capital" expenditures. But it is logical to apply these costs on an annual basis.

TABLE 4

COMPARISON OF MUNICIPAL SERVICE LEVEL IN ALVISO
BEFORE AND AFTER CONSOLIDATION WITH SAN JOSE

BEFORE CONSOLIDATION

Fire Protection

- 8 volunteer firemen on call
- 1 pumper fire engine stored in Alviso behind the present library
- insufficient water pressure from Alviso system to use hydrants

AFTER CONSOLIDATION

- 10 professional full-time firemen with 3 on duty at all times
- 1 pumper fire engine permanently assigned to Fire Station #25 in Alviso
- 78 lbs. pressure from Hetch-Hetchy connection which is adequate for use of hydrants

Police Protection

- 2 policement with 1 on 24-hr. duty and 1 on call
- 1 police car

- a total of 7 policemen with between 1 and 2 on duty at all times
- 2 police cars

Water System

- inadequate pressure
- a well as the only source of municipal water

- reliable and high quality water source provided through connection to Hetch-Hetchy system
- reduction in water use rates to residents

Library Services

- Bookmobile services only
- nearest County Library in Milpitas (approximately 3 miles away)

- permanent library facility in Alviso
- Library service hours: Tues. 1-5 pm; Wed. and Thurs., 4-8 pm; Fri. 1-5 pm.

TABLE 4 (continued)

BEFORE CONSOLIDATION

AFTER CONSOLIDATION

Park Facilities

- None
 - 7.4 acre Alviso Park including ball-field with backstop, large turf areas with sprinkler system, picnic areas and playground apparatus.
 - Improvements to George Mayne School including fencing, asphalt walk paths, graded bus loading zones.

Recreation Programs

- No service
 - Community recreation programs for elementary school children including sports, games, movies, crafts, etc. Hours are 2 hours after school, Monday through Friday, plus 5 to 7 hours on Saturday; summer hours are 7 hours daily, Monday through Saturday.
 - Junior High Teen Program including sports, games, trips, and study sessions.
 - Swim program during summer with swimming lessons and free recreational swimming.
 - Other recreation programs cooperatively sponsored by San Jose and various public and private groups.

Taxes

- Tax rates per \$100 assessed valuation:

Zone 1-000	\$10.357
1-001	10.281
1-002	10.884

- Reduction in tax rates to:

Zone 40-854 (1-000)	\$10.153
40-861 (1-001)	10.063
40-862 (1-002)	10.799

LEGEND MAP 1

- SAN JOSE NOW (1973)
- FORMER ALVISO CITY LIMITS
 - ALVISO NEW TOWN BOUNDARIES

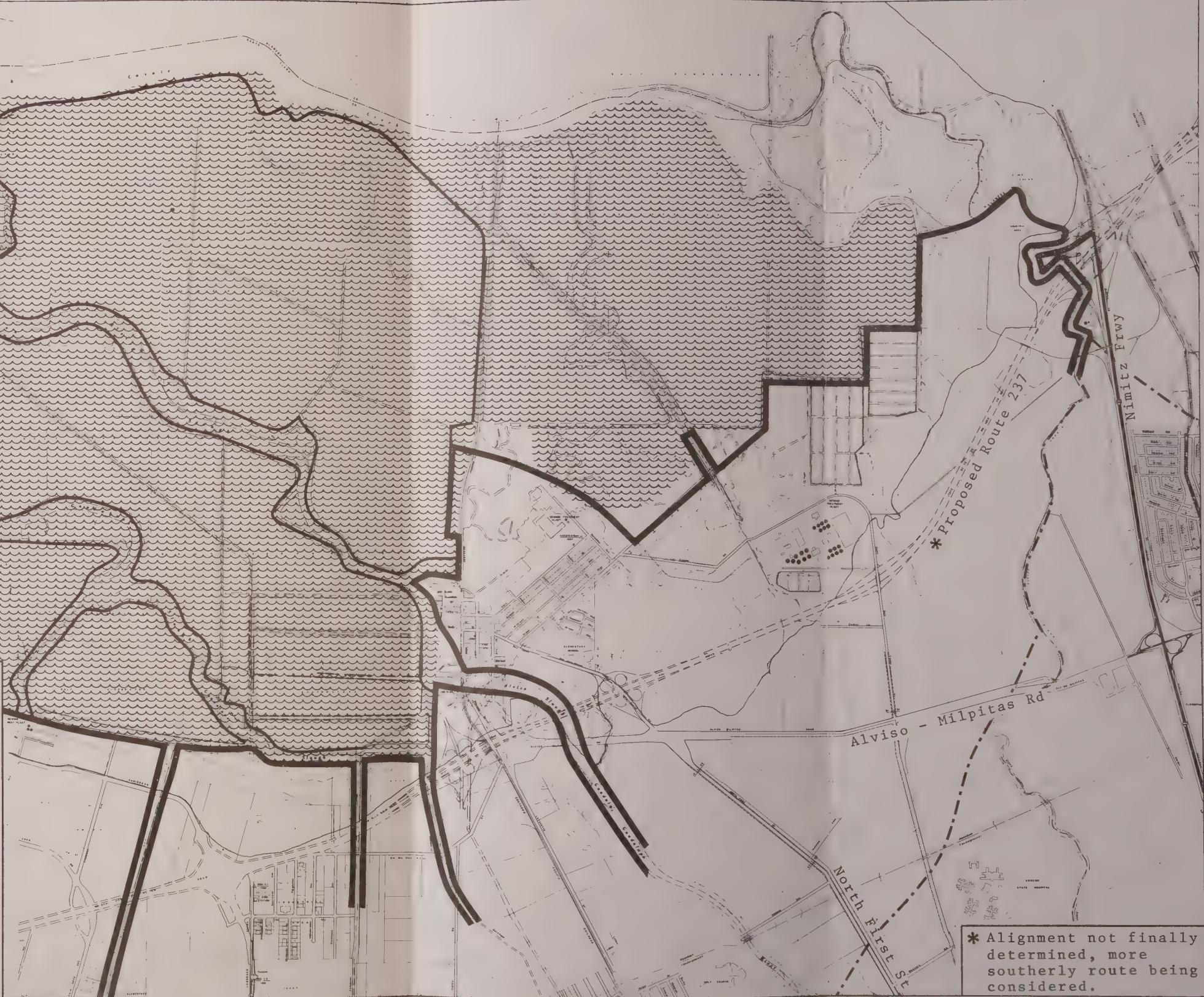
JURISDICTIONAL BOUNDARIES



LEGEND MAP 2

- WETLANDS
- DRYLANDS - ALL OTHER
- PROPOSED INBOARD DIKE
- PROPOSED OUTBOARD DIKE
(Also includes inboard proposal)
- LIMIT OF GENERAL AREA
SUBJECT TO SALT WATER
FLOODING W/O LEVEES

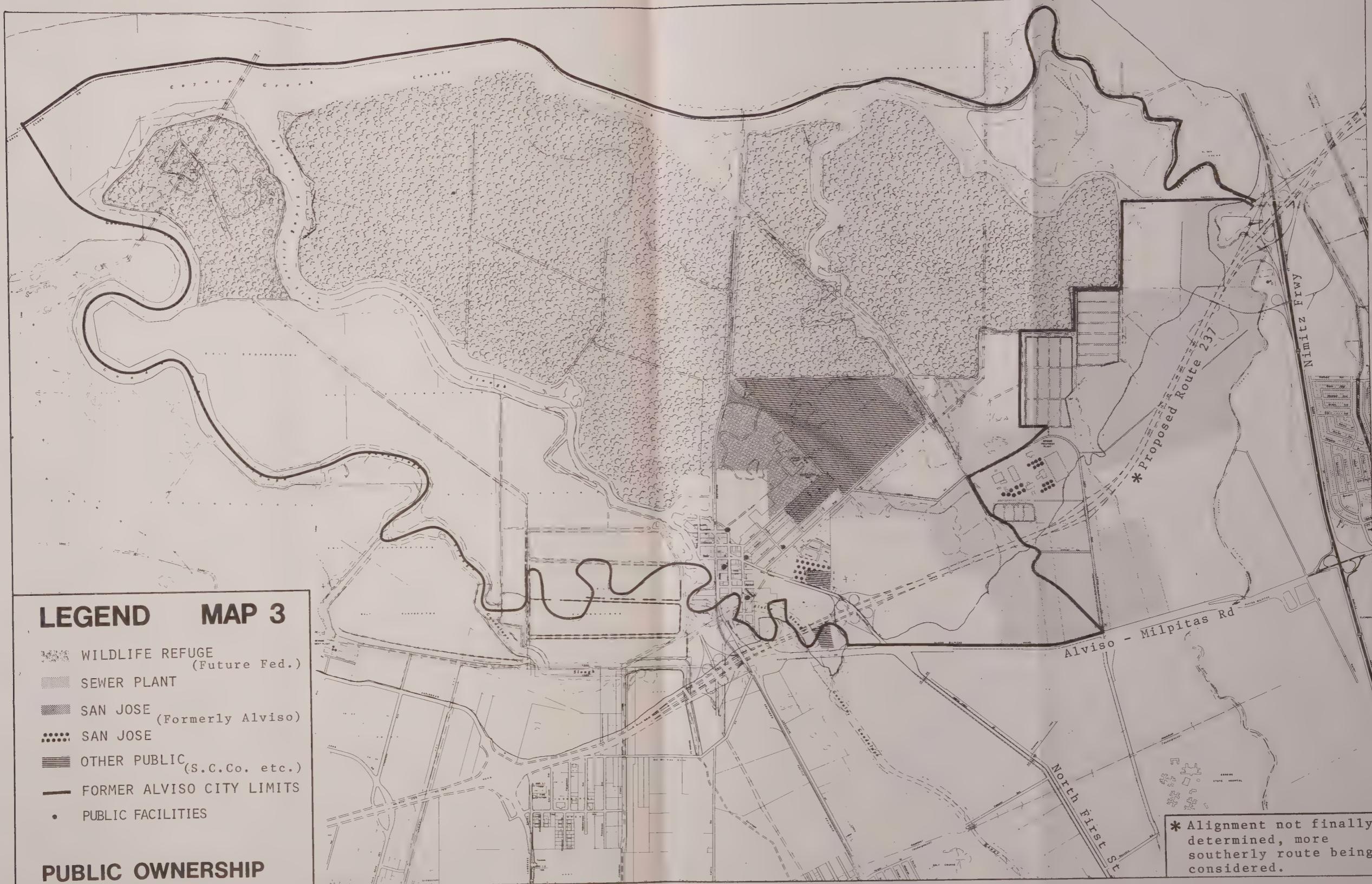
DEVELOPED STATUS & DIKE PROPOSALS



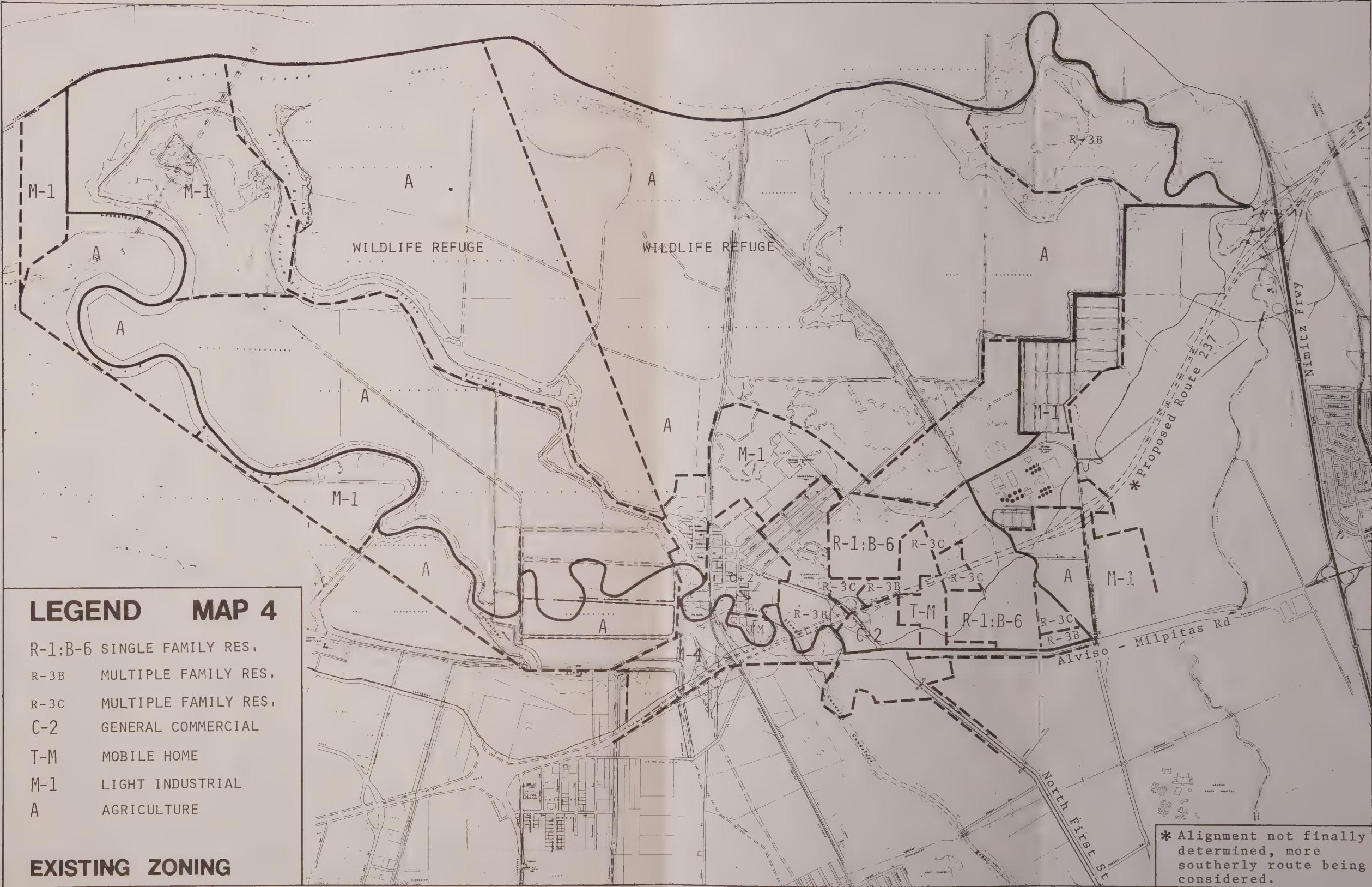
LEGEND MAP 3

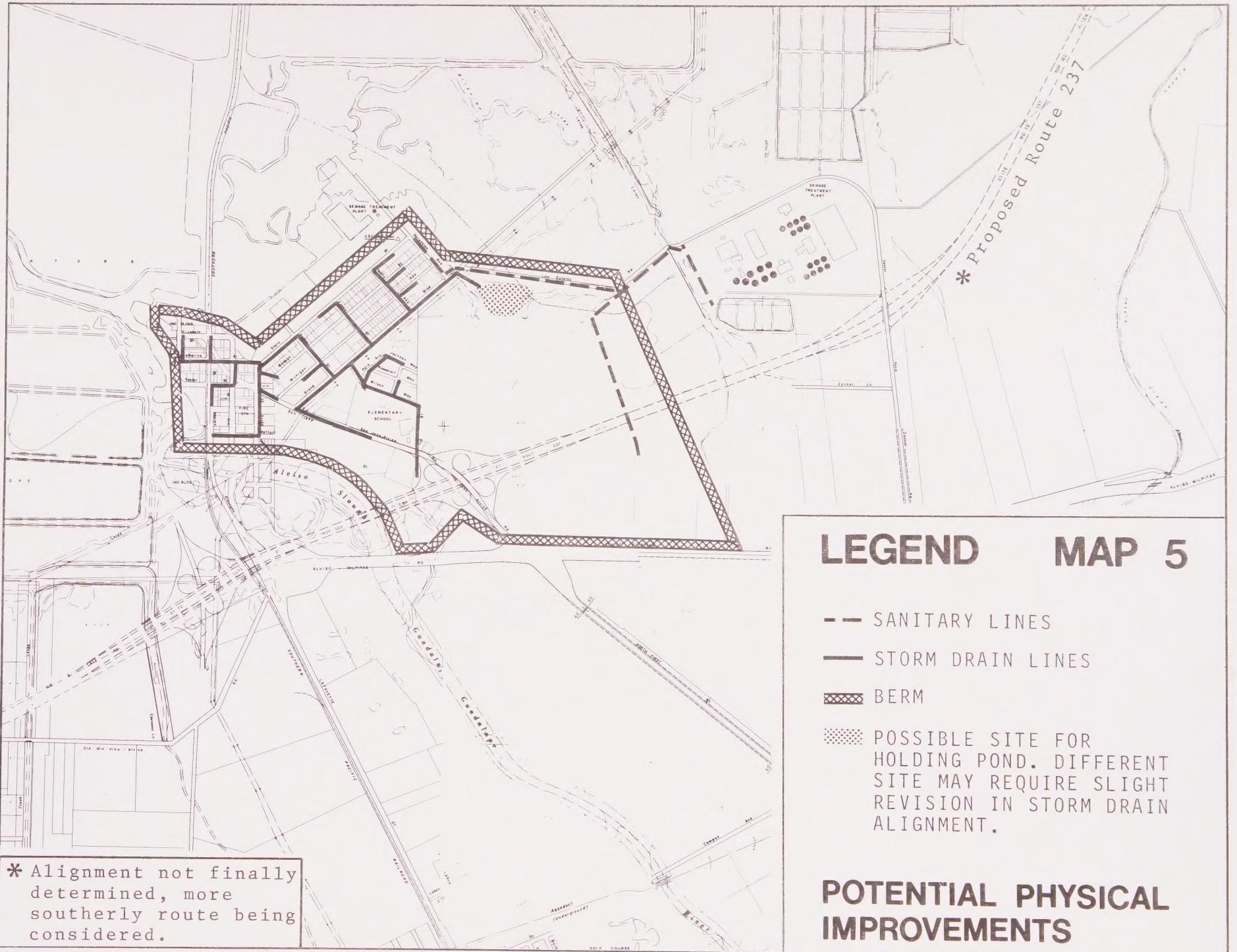
- WILDLIFE REFUGE (Future Fed.)
- SEWER PLANT
- SAN JOSE (Formerly Alviso)
- SAN JOSE
- OTHER PUBLIC (S.C.Co. etc.)
- FORMER ALVISO CITY LIMITS
- PUBLIC FACILITIES

PUBLIC OWNERSHIP



* Alignment not finally determined, more southerly route being considered.





U.C. BERKELEY LIBRARIES



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